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**U.S. ACCUSES GENOVESE CAPO AND THREE OTHERS
OF WIDE-RANGING RACKETEERING AND EXTORTION CHARGES**

JAMES B. COMEY, the United States Attorney for the Southern District of New York; KEVIN P. DONOVAN, the Assistant Director in Charge of the New York Office of the FBI; and RAYMOND W. KELLY, the New York City Police Commissioner, announced today the unsealing of a superseding Indictment in Manhattan federal court charging four defendants, all of whom are alleged Members or Associates of the Genovese Organized Crime Family of La Cosa Nostra ("LCN"), with wide-ranging racketeering crimes and other offenses, including obstruction of justice, illegal trafficking in motor vehicle parts, extortion of various individuals and illegal gambling.

Among the defendants charged is one of the Genovese Family's current "Capos" or Captains, FREDERICO "FRITZY" GIOVANNELLI, who purportedly controls crews of Soldiers and Associates within the Genovese Family and directly supervises their criminal activities. The Indictment also alleges that

GIOVANNELLI is a former member of the ruling panel of the Genovese Family. The 18-Count Indictment charges that Genovese Capo GIOVANNELLI, together with Soldier ALEX CONIGLIARO, and Associates ERNEST "JUNIOR" VARACALLI and JOHN VARACALLI, and others, engaged in a widespread pattern of racketeering. The initial indictment, filed in 2001, had charged GIOVANNELLI with two counts of obstruction of justice, and one count of conspiracy to obstruct justice.

The superseding Indictment charges four separate acts of racketeering in two racketeering ("RICO") counts, including obstruction of justice relating to the grand jury investigation in the Southern District of New York of the Decavalcante Organized Crime Family of LCN. Today's Indictment alleges that GIOVANNELLI provided various high-ranking members of the Decavalcante Organized Crime Family with a list of individuals GIOVANNELLI identified as targets of the grand jury investigation and also provided information designed to identify a confidential informant ("CI") who was working with the Government in its investigation of the Decavalcante Organized Crime Family. As a result of the information provided by GIOVANNELLI, members of the Decavalcante Organized Crime Family allegedly conspired to murder an individual whom they believed - based on the information provided by GIOVANNELLI - was the CI. It is alleged that the murder plot was derailed only by the December 1999 arrests of the leading participants in the murder conspiracy. In addition, as a result of GIOVANNELLI's tip, members of the Decavalcante

Organized Crime Family allegedly took steps to evade law enforcement.

The RICO counts against GIOVANNELLI, CONIGLIARO, ERNEST VARACALLI and JOHN VARACALLI also include charges of illegal trafficking of motor vehicle parts, extortion and operation of an illegal gambling business. In particular, all four defendants are charged with conspiring to extort and extorting an individual engaged in bookmaking.

The racketeering conspiracy, racketeering, extortion, extortion conspiracy and obstruction of justice charges each carry a maximum penalty of 20 years in prison, upon the conviction of the defendants. The 10 counts of illegal trafficking of motor vehicle parts each carry a prison term of 10 years, as does a stolen property count. The charge of conspiracy to obstruct justice and gambling each carry a 5-year prison term. In addition, each count carries a maximum fine of \$250,000 or twice gross gain or loss resulting from the crime.

GIOVANNELLI was arrested today in connection with the charges in the Indictment. CONIGLIARO, ERNEST VARACALLI, and JOHN VARACALLI are already serving time on other federal or state charges and, accordingly, will be brought by the United States Marshal's Service to Manhattan federal court to face the charges in the Indictment. GIOVANNELLI was arraigned today in Manhattan

federal court, before United States District Judge JED S. RAKOFF. He plead not guilty.

The charges in the superseding Indictment grew out of a multi-year investigation by the United States Attorney's Office for the Southern District of New York, the Brooklyn District Attorney's Office, the Federal Bureau of Investigation and the New York City Police Department.

Mr. COMEY praised the efforts of the Federal Bureau of Investigation and the New York City Police Department in this investigation. Mr. COMEY also thanked the Brooklyn District Attorney's Office for their valuable assistance in this case.

Assistant United States Attorneys JOHN M. HILLEBRECHT and MICHAEL M. PURPURA are in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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